

EXECUTIVE CHAMBERS HONOLULU

DAVID Y. IGE GOVERNOR

April 25, 2019

✓ The Honorable Ronald D. Kouchi President of the Senate Thirtieth State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki Speaker of the House of Representatives Thirtieth State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear Senate President Kouchi and Speaker Saiki:

Tentative agreements were reached with United Public Workers (UPW), Collective Bargaining Units 1 (Blue Collar Employees) and 10 (Institutional Workers), on April 18, 2019. Ratification is expected by April 27, 2019. In accordance with Section 89-10(b), cost items must be submitted to the Legislature. Because the agreement was not reached in time for costs to be included in the biennium budget, an Administration Proposal was submitted to the 2019 Legislature. The estimated costs are as follows:

	FY 20	FY 21	<u>Biennium</u>
Salaries & Fringe			
General	\$2,093,938	\$6,735,116	\$ 8,829,054
Special	816,318	2,428,145	3,244,463
Federal	48,252	164,800	213,052
Other Federal	9,825	34,606	44,431
Interdept. Transfers	2,157	7,621	9,778
Revolving	8,202	28,762	36,964
Special Fund CIP	846	2,990	3,836
Total	\$2,979,538	\$9,402,040	\$12,381,578

An agreement with UPW regarding Employer-Union Trust Fund contribution amounts has also been reached and the estimated costs are as follows:

	<u>FY 20</u>	<u>FY 21</u>	<u>Biennium</u>
General	\$1,538,268	\$6,279,647	\$7,817,915

The Honorable Ronald D. Kouchi The Honorable Scott K. Saiki April 25, 2019 Page Two

Attached is a proposed conference draft bill to fund the agreements.

With warmest regards,

David Y. Ige

Governor, State of Hawai'i

Attachment

c: Honorable Donovan M. Dela Cruz Honorable Sylvia Luke

A BILL FOR AN ACT

PART I

RELATING TO PUBLIC EMPLOYMENT COST ITEMS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

_								
2	SECTION 1.	There	are	appropriated	or	authorized	from	the

3 sources of funding indicated below to collective bargaining

4 statewide (BUF 102) the following sums, or so much thereof as

5 may be necessary, to fund for fiscal biennium 2019-2021, all

6 collective bargaining cost items in the agreement negotiated

7 with the exclusive representative of collective bargaining

8 units (1) and (10):

1

9		FY 2019-2020	FY 2020-2021
10	General funds	\$1,913,005	\$6,199,406
11	Special funds	367,382	1,277,564
12	Federal funds	48,073	164,096
13	Other federal funds	9,068	32,185
14	Interdepartmental transfers	2,157	7,621
15	Revolving funds	7,893	27 , 672
16	Special fund CIP	846	2,990

_.B. NO. C.D. 1 PROPOSED

1 Of the above amounts, the following amounts are for the 2 department of education:

3		FY 2019-2020	FY 2020-2021
4	General funds	\$477,798	\$1,611,290
5	Special funds	111	379
6	Federal funds	95	324
7	Revolving funds	182	639

8 SECTION 2. Funds appropriated by this part shall be

9 allotted by the director of finance to the appropriate state

10 departments for expenditure in the respective fiscal year for

11 the purposes of this part.

14

12 PART II

SECTION 3. There are appropriated or authorized from the

sources of funding indicated below to administration (JUD 601)

15 the following sums, or so much thereof as may be necessary, to

16 fund for fiscal biennium 2019-2021, all collective bargaining

17 cost items for salary increases and other wage related costs in

18 the agreement negotiated with the exclusive bargaining

19 representative of collective bargaining units (1) and (10):

20			FY 2019-2020	FY 2020-2021	
21	General	funds	\$68,371	\$168,293	

.B. NO. PROPOSED

1 SECTION 4. Funds appropriated or authorized by this part

2 shall be expended by the chief justice in the respective fiscal

3 year for the purposes of this part.

4 PART III

5 SECTION 5. There are appropriated or authorized from the

6 sources of funding indicated below to collective bargaining

7 statewide (BUF 102) the following sums, or so much thereof as

8 may be necessary, to fund for fiscal biennium 2019-2021, the

9 salary increases and other cost adjustments authorized by

10 chapter 89C, Hawaii Revised Statutes, for state officers and

11 employees who are excluded from collective bargaining and belong

12 to the same compensation plans as those officers and employees

13 within bargaining units (1) and (10):

14		FY 2019-2020	FY 2020-2021
15	General funds	\$103,196	\$352,756
16	Special funds	5,923	20,891
17	Federal funds	179	704
18	Other federal funds	757	2,421
19	Revolving funds	309	1,090

Of the above amounts, the following amounts are for the

21 department of education:

_.B. NO. PROPOSED

1		FY 2019-2020	FY 2020-2021	
2	General funds	\$85,323	\$291,244	
3	Special funds	218	746	
4	Federal funds	18	63	
5	SECTION 6. Funds appro	opriated or authori:	zed by this part	
6	shall be allotted by the dir	rector of finance to	the appropriate	
7	state departments for expend	diture in the respec	ctive fiscal year	
8	for the purposes of this par	ct.		
9		PART IV		
10	SECTION 7. There are appropriated or authorized from the			
11	sources of funding indicated below to administration (JUD 601)			
12	the following sums, or so much thereof as may be necessary, to			
13	fund for fiscal biennium 2019-2021, the salary increases and			
14	other cost adjustments authorized by chapter 89C, Hawaii Revised			
15	Statutes, for state officers and employees of the judiciary who			
16	are excluded from collective bargaining and belong to the same			
17	compensation plans as those officers and employees within			
18	bargaining units (1) and (10	0):		
19		FY 2019-2020	FY 2020-2021	
20	General funds	\$9,366	\$14,661	

.B. NO. PROPOSED

1 SECTION 8. The sums appropriated or authorized by this 2 part shall be expended by the chief justice in the respective 3 fiscal year for the purposes of this part. 4 PART V 5 SECTION 9. There are appropriated from the sources of 6 funding indicated below to Hawaii health systems 7 corporation - corporate office (HTH 210) the following sums, or 8 so much thereof as may be necessary, to fund for fiscal 9 biennium 2019-2021, the collective bargaining cost items in the **10** agreement negotiated for state employees in collective 11 bargaining units (1) and (10) assigned to the Hawaii health **12** systems corporation: 13 FY 2019-2020 FY 2020-2021 14 Special funds \$435,728 \$1,102,794 15 SECTION 10. The sums appropriated or authorized by this 16 part shall be allotted by the director of finance to the Hawaii **17** health systems corporation in the respective fiscal year for the 18 purposes of this part. 19 PART VI 20 SECTION 11. There are appropriated from the sources of 21 funding indicated below to Hawaii health systems 22 corporation - corporate office (HTH 210) the following sums, or

_.B. NO. C.D. 1 PROPOSED

1 so much thereof as may be necessary, to fund for fiscal 2 biennium 2019-2021, salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state 3 officers and employees who are excluded from collective 4 bargaining units and belong to the same compensation plans as 5 6 those officers and employees within bargaining units (1) and 7 (10), and are assigned to the Hawaii health systems corporation: 8 FY 2019-2020 FY 2020-2021 \$7,284 9 Special funds \$26,896 SECTION 12. The sums appropriated or authorized by this 10 11 part shall be allotted by the director of finance to the Hawaii 12 health systems corporation in the respective fiscal year for the 13 purposes of this part. 14 PART VII 15 SECTION 13. There are appropriated from the sources of 16 funding indicated below to health premium payments (BUF 761) the **17** following sums, or so much thereof as may be necessary, to fund 18 for fiscal biennium 2019-2021, the Hawaii employer union health 19 benefit trust fund costs in the agreement negotiated with the **20** exclusive bargaining representative of collective bargaining 21 units (1) and (10):

.B. NO. PROPOSED

1 FY 2019-2020 FY 2020-2021 2 General funds \$1,531,378 \$6,251,273 3 SECTION 14. Funds appropriated by this part shall be 4 allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for 5 6 the purposes of this part. 7 PART VIII 8 SECTION 15. There are appropriated from the sources of 9 funding indicated below to health premium payments (BUF 761) the 10 following sums, or so much thereof as may be necessary, to fund 11 for fiscal biennium 2019-2021, the Hawaii employer union health 12 benefit trust fund costs authorized by chapter 89C, Hawaii 13 Revised Statutes, for state officers and employees who are 14 excluded from collective bargaining and belong to the same 15 compensation plans as those officers and employees within 16 bargaining units (1) and (10): **17** FY 2019-2020 FY 2020-2021 General funds \$6,890 18 \$28,374 19 SECTION 16. Funds appropriated by this part shall be 20 allotted by the director of finance to the appropriate state 21 departments for expenditure in the respective fiscal year for 22 the purposes of this part.

.B. NO. C.D. 1 PROPOSED

1 PART IX

- 2 SECTION 17. Salary increases and cost adjustments provided
- 3 in this Act for any officer or employee whose compensation is
- 4 paid, in whole or in part, from federal, special, or other funds
- 5 shall be paid wholly or proportionately, as the case may be,
- 6 from the respective funds.
- 7 SECTION 18. Funds appropriated by this Act that are not
- 8 expended or encumbered by June 30, 2020, and June 30, 2021, of
- 9 the respective fiscal years, shall lapse as of those dates.
- 10 SECTION 19. This Act, upon its approval, shall take effect
- 11 on July 1, 2019.

Report Title:

Public Employment Cost Items

Description:

To provide appropriations for collective bargaining cost items and other public employment costs for Units (1) and (10) and their excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for fiscal biennium 2019-2021.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.